

ARTICLE 9

SECTION 4

PRINCIPAL RESIDENCE

1. GENERAL

Property used as a home or formerly used as a home that meets the criteria contained in this section is exempt. This home is referred to as a principal residence or PR.

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This section provides instructions for the evaluation and treatment as property of an applicant/beneficiary's home or former home.

2. DEFINITIONS

The following definitions relate specifically to the treatment of a personal residence.

A. Appertains

"Appertains" means any property or structure which is connected to and was/is intended to be used as a permanent part of the property. This includes, but is not limited to:

- 1) Acreage which constitutes a farm or ranch; or
- 2) Separately assessed parcels used as a whole; or
- 3) An entire parcel or separately assessed parcels purchased or used as a whole, separated by, but not limited to, any of the following:
 - a) Easements or rights of way.
 - b) Water courses.
 - c) Streets, highways and freeways.

B. Dependent Relative

A dependent relative is a relative who relies/relied on the applicant/beneficiary for financial, emotional or medical support. The relative may be any of the following:

- 1) Child (of any age)
- 2) Grandchild
- 3) Parent

- 4) Grandparent
- 5) Sibling
- 6) Half-sibling
- 7) Aunt or Uncle
- 8) Niece or Nephew
- 9) Step-child, Step-parent, or Step-sibling
- 10) In-laws

C. Legal Obstacles to Sale of Home

A legal obstacle is a condition which prevents or delays completion of actions necessary to sell the property in question.

Examples include but are not limited to:

- 1) The title is not clear.
- 2) The property cannot be sold without the consent of the other owner(s) and the other owner(s) refuses to sell.
- 3) An incompetent applicant/beneficiary who does not have a legal guardian or someone else who can legally act on his/her behalf.

A state of disrepair or other physical condition of the property would not constitute a legal obstacle. The condition of the property is a factor used by a qualified real estate appraiser in evaluating the fair market value of property.

D. Principal Residence

A principal residence is a real or personal property which is/was the applicant/beneficiary's home and which is exempt according to the criteria in item 4., below. Property which does not meet this exemption criteria is other real property or personal property, as appropriate, and must be evaluated in accordance with regulations governing these types of property. An individual may have more than one residence but can only have one principal residence.

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· Clarification

E. Qualified Real Estate Appraiser

A qualified real estate appraiser is a person employed as a real estate appraiser for a real estate company, a bank or mortgage company, a title company, or an appraisal agency.

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3. SPECIAL PRINCIPAL RESIDENCE CRITERIA

A. There is no requirement that the applicant/beneficiary must have resided on the property immediately prior to the current absence. If the applicant/beneficiary ever resided on the property, it may be considered his/her former home and must be evaluated according to the criteria in item 4.B.1) below.

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B. Only one property may be exempt as a PR.

C. The PR includes all land appertaining to the residence and all other buildings on the land.

D. The PR includes the entire multiple unit dwelling if any portion of it serves as the PR. If a portion of a multiple unit dwelling qualifies as an exempt PR, the entire multiple unit dwelling is exempt.

E. A PR becomes other real property, or personal property as appropriate, effective the first of the month following the date exemption criteria are no longer met.

4. EXEMPTION CRITERIA

Real or personal property which the applicant/beneficiary uses or formerly used as a home is exempt as a PR if any of the following situations exist. There are no utilization requirements to be met to exempt PR property.

A. Applicant/Beneficiary and/or Family Resides on Property

1) If the applicant/beneficiary resides on the property, it is exempt.

2) If the applicant/beneficiary's family, as defined in MPG Article 1, Section 1, resides on the property, and either of the following conditions exist, the property is exempt:

a) The applicant/beneficiary and the family member(s) are in the same MFBU; or

b) The income of the family member(s) is considered in determining the applicant/beneficiary's eligibility.

B. Applicant/Beneficiary is Absent from Property

If the applicant/beneficiary is absent from the property, and the applicant's family does not meet the conditions of item 4.A.2) above, the property is exempt if any of the following conditions exist:

1) Intent to Return

Property which the applicant formerly used as a principal residence shall be exempt if the applicant/beneficiary is absent from the property for any reason, including admittance to Long-Term Care (LTC), and declares in writing that he/she intends to return to live.

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- The principal residence is exempt based upon a person's SUBJECTIVE intent to return, even though he/she may never have the ability to return.
- The intent to return is indicated by the client, his/her representative (key person) on the Statement of Facts by marking the appropriate box.
- The worker cannot restrict, in any way, the client, or his/her representative, in the process of indicating that intent.
- The worker must NOT require verification of the client's ability to return to the principal residence in order to grant the exemption (Note: Such a verification is required for the income deduction for upkeep of the home of a person in LTC pursuant to MEM Section 50605 and MPG Art. 11, Section 1, Item 3B.).
- If a client, or his/her representative incorrectly states that there is no intent to return but later makes a correction, the worker must accept that correction.

a) Worker Evaluation

The worker must evaluate whether the person has established a new principal residence in order to determine whether or not the former home is exempt. If the person has established a new principal residence, the former home is not exempt unless the person has entered long-term care or the former home is listed for sale. See item 5. for long-term care requirements and item 4.B.4) for homes listed for sale.

The following questions are to be used by the worker when evaluating if the former home is still the principal residence.

- (1) At which address does the person receive mail?
- (2) At which address does the person receive payments? (Social Security, Disability Benefits, etc.)

- (3) Which address is used for income tax purposes?
- (4) Where are his/her personal belongings?
- (5) Where is he/she registered to vote?
- (6) Where is he/she employed?
- (7) Is the former home rented out?
- (8) Has he/she signed a lease in the current residence?
- (9) Has he/she purchased the current residence?
- (10) Is the former home listed for sale? (See item 4.B.4 below.)

There is no requirement that the individual own the property in which he/she resides in order to be considered a principal residence.

- b) Should the absent owner later transfer this property, the worker must evaluate whether the change in the applicant/beneficiary's intent to return was reported timely, and whether adequate consideration was required and received; or

2) Spouse/Child or Dependent Relative Lives on Property

The applicant has a spouse, child under age 21, or dependent relative living on the home property.

a) Documentation of Spouse or Child Living on Property

The worker must document that the applicant has a spouse and/or child under age 21 living on the home property on form MC176P in the area titled "Home" under the Real Property Section.

b) Documentation of Dependent Relative Living on the Property

If only a "dependent relative" lives on the home property, the worker must obtain a written statement describing the relationship and basis of dependency (financial, medical, or emotional) from the applicant/beneficiary or person acting on his/her behalf. The statement must be filed under the "property" tab in the case folder. This statement is acceptable evidence unless it is questionable. (e.g., An Adult son who depends emotionally on his mother who has been in a coma in LTC for a year.)

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c) Verification/Documentation of Disabled Adult Child

If the dependent relative is a blind or disabled adult child, and the worker views existing evidence that the child meets the blindness or disability requirements for Medi-Cal as indicated in MPG Article 5, Section 3 (receipt of Title II disability benefits or SSI/SSP, MC221 on file, etc.) a separate written statement is not required. Instead, the worker must document the evidence viewed on form 07-104 DSS, and file it under the "property" tab; or

3) Sibling/Adult Child Resides on Property

The applicant/beneficiary resides in a skilled nursing facility, intermediate care facility, or licensed community care facility (Board and Care), and a sibling or child 21 years of age or older resides on the property and has done so for at least one year prior to the time the applicant/beneficiary entered the institution. The worker must document this fact on form MC176P. Verification that these conditions exist is not required unless the worker considers the accuracy of the information provided, questionable; or

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4) Bona Fide Effort to Sell

The property does not meet any of the above exemption criteria but a "bona fide effort" is being made to sell the property.

a) Definition

A bona fide effort to sell means that:

- (1) The property is listed for sale with a licensed real estate broker; and
- (2) The listing price is fair market value as determined by a qualified real estate appraiser; and
- (3) A good faith effort is being made to sell the property, which includes evidence that the asking price is being lowered if the property is not selling; and
- (4) Offers at fair market value are accepted.

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b) Verification/Documentation

The worker will file a copy of the listing contract and appraisal in the case folder under the "property" tab. The applicant/beneficiary or key person must be advised to report all offers at fair market value or higher, and the acceptance of such offers.

The worker must TIC the case for review the month the listing contract expires or on a quarterly basis, whichever comes first. If the property has not been sold at that time, the beneficiary or key person must provide evidence that the property has been listed again. In general, the case record must include evidence that the property continuously meets the criteria of a bona fide effort to sell, as stated above.

5) Legal Obstacles

The property cannot be sold because there are legal obstacles preventing the sale and the applicant/beneficiary or person acting on his/her behalf provides evidence of attempts to overcome such obstacles.

Verification/Documentation

a) There is no requirement for the applicant/beneficiary or key person to provide verification that a legal obstacle exists unless the worker considers the accuracy of the information provided by the applicant/beneficiary to be questionable. However, "evidence" of attempts to overcome legal obstacles must be provided before the property can be exempted. The evidence may be photocopied and filed in the case, or viewed and documented by the worker.

b) The type of efforts or attempts to overcome legal obstacles will vary with the type of legal obstacle. However, since legal actions are usually required most likely an attorney will be involved.

A statement by the applicant/beneficiary or key person that attempts will be made to overcome the obstacle(s) is insufficient to exempt the property. At minimum, evidence must be provided which shows that an attempt is in progress. An example would be a statement signed by the applicant/beneficiary's attorney listing steps already taken (petitions filed with the court, etc.) and the date results are expected to be known.

c) To remain exempt, unsuccessful attempts to overcome such obstacles must be followed immediately by another attempt. The intent of the regulation is that a continuous effort to overcome legal obstacles is required, until such time as the obstacle no longer exists.

5. LIENS

A. Conditions

The SDHS will record a lien against the beneficiary's ownership interest in his/her PR when all of the following conditions are met:

1) The beneficiary is in LTC; and

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- 2) The beneficiary has listed his/her PR for sale and is making a "bona fide effort" to sell the property; and
- 3) The beneficiary has received the correct mandatory notice of action (NOA 960) for persons in LTC who are required to list their PR for sale.

The beneficiary does not sign or complete any separate forms regarding the lien. The beneficiary's consent is not required. Information required by SDHS to record and dissolve the lien is provided by the worker. The worker must complete form DHS 7014 Property Lien Referral and send it to SDHS. (See Appendix 9-4-B.)

B. Foreclosure

Liens recorded by SDHS for amounts of medical care provided by Medi-Cal may be foreclosed only after:

- 1) The beneficiary sells the property; or
- 2) The beneficiary dies and there is no surviving spouse, child under age 21, or child who is blind or disabled.

C. Dissolving the Lien

Any lien will be dissolved when the beneficiary is discharged from LTC and returns to the PR to live. The worker must complete form DHS 7013, which is used to notify SDHS of this change.

6. PERSONAL PROPERTY AS A PRINCIPAL RESIDENCE

The regulations regarding treatment of personal property used as a PR are the same as regulations regarding real property as a PR. Most regulations dealing with the principal residence use terms and impose conditions or requirements which are not normally associated with personal property. To meet the intent of the regulations, SDHS has advised that appropriate substitutions be used for personal property, when necessary to meet criteria for exemption of the property as a PR. The following are examples of appropriate equivalents applicable to mobile homes (when not assessed as real property), motor vehicles, boats, etc.:

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A. Sale of Personal Property Required

- 1) Licensed Real Estate Broker - For personal property, the equivalent person is any person employed by or self-employed as a dealer in the type of personal property involved. At minimum, the agent or agency must have appropriate business licenses.
- 2) Qualified Real Estate Appraiser - For personal property, the equivalent person is a person employed as an appraiser or by a business which includes appraisal as part of its usual services. The appraisal may be made by the same agent who has agreed to represent the seller. Appraisals must state retail market value.

- 3) Deed - For personal property, the equivalent documents are those documents proving ownership or ownership interest in the property such as a DMV registration or ownership certificate.

B. Lien Requirements

Personal property used as PRs are not exempt from lien requirements. SDHS Recovery Branch will evaluate each situation and initiate appropriate recovery actions whenever possible.

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When personal property is/was the PR, questions 8 and 11 on form DHS 7014 may require modified responses. The fact that the PR is personal property should be stated in question 8. In question 11, the legal description such as a vehicle ID number would be listed. Copies of ownership certificates and/or similar documents relating to the property are attached in lieu of the deed.

7. KEY PERSON/REFERRAL TO PUBLIC GUARDIAN

A. Key Person (Authorized Representative) Available

The fact that an applicant/beneficiary is incompetent and unable to list his/her former home for sale does not negate the requirement to do so.

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If the key person has legal authority to act as the applicant/beneficiary's agent in property transactions, then the responsibility to comply on behalf of the applicant/beneficiary rests with that person, and there is no legal obstacle.

If someone other than the key person has legal authority to act on the applicant/beneficiary's behalf, then the key person must obtain that person's cooperation in meeting the listing requirements. A legal obstacle may exist if the key person must petition a court, file suit, etc., to make the property available for sale under the terms required by this rule.

B. Public Guardian

If there is no key person, or the key person is unable or unwilling to attempt to acquire authority, then referral to the Public Guardian is appropriate.

1) Referral for Guardianship/Conservator

If there is no Public Guardian case, the worker must call the Public Guardian's office, ask for the duty deputy, and explain the situation, including the requirement to list for sale the applicant/beneficiary's former home. The Public Guardian will send a referral form PA40 to the worker to complete and return it to mail station O95. The worker must complete the form as thoroughly as possible.

Near the bottom of the form, in the section titled "Problem," the worker must state that Medi-Cal eligibility is dependent on continuous efforts to overcome any legal

obstacles to the sale of the property, and once the property is available for sale, a bona fide effort to sell must be made.

The worker must attach a gram explaining the urgency of the situation; the need to be advised in writing of the status of all significant legal steps taken by the Public Guardian's office, and a request that a petition for conservatorship be filed immediately so that benefits may be granted or continued.

For purposes of continuing eligibility, the filing of the petition for conservatorship by the Public Guardian's office begins the process of attempting to overcome legal obstacles to the sale of the property.

2) Public Guardian as Key Person

Once the Public Guardian is designated as the conservator of the estate, the assigned Public Guardian becomes the applicant/beneficiary's key person for purposes of sale of the PR.

This means that NOA MC239-W (code 960) must be sent to the Public Guardian immediately upon notification to the worker that conservatorship has been established. (See item 9.)

The Real Property Agent at the Public Guardian's office is a licensed real estate broker. He/She is required to appraise or obtain an appraisal of the fair market value of the property in order to sell it.

Written confirmation from the Real Property Agent which states the date the property becomes assigned for sale, the fair market values, and a copy of the appraisal used by the Real Property Agent is considered adequate verification that a bona fide effort to sell the property is being made. (See item 4.B.4.)

8. COUNTY REVIEWS AND STATE HEARINGS

A. County Review - General

Applicants/beneficiaries in LTC required to list their PR for sale, are entitled to a formal County Review of their circumstances. The County review does not replace a State Hearing but requires similar procedures.

Although any applicant/beneficiary may request a State Hearing, the County review requirements and procedures apply only to LTC applicants/beneficiaries who are required to list their PR for sale.

LTC applicants/beneficiaries are notified of the opportunity for a County review by NOA MC 239-W (code 960) (see item 9.A.1). A County review must be requested within 30 days of receipt of NOA MC 239-W. Any written request from the applicant/beneficiary or key person, which could be construed as a request for reconsideration of the "list for sale" condition of eligibility, constitutes a request for a County review.

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B. County Review Procedures/Requirements

- 1) The supervisor of the worker assigned to the case at the time the request for County Review is received must conduct the review and issue a written decision using NOA MC 239-Z (code 962).
- 2) The County review should be completed promptly and no later than 30 days from the date of request for the County review. If a State Hearing was requested also, the review must be completed and a decision made prior to the scheduled hearing date. A copy of the County review decision, NOA MC 239-Z, must be made available for the hearing.
- 3) The worker must remind the applicant/beneficiary or key person that regulations prohibit the transfer or sale of the property while the County Review/State Hearing results are pending. The worker must document the date and method of the reminder in the case file.
- 4) The applicant/beneficiary or key person is not required to appear in person for the County review.
- 5) To complete the review, the supervisor must reevaluate all information in the case file and examine any additional written declarations or other documents submitted by the applicant/beneficiary or key person, which are relevant to the following issues:
 - a) Whether or not the applicant/beneficiary is absent from the property but intends to return to the PR to live.
 - b) Whether there are any regulatory exemptions which would allow the applicant/beneficiary to remain or become eligible without listing the PR for sale (e.g., a dependent relative lives on the property).
 - c) Whether there is any other reason which prevents the applicant/beneficiary from listing the property for sale (e.g., the applicant/beneficiary is incompetent and there is no legal conservator or guardian).

C. Exemption Status Pending County Review/Hearing Decision

1) Applications

a) County Review Requested

If an applicant/key person requests a County review within 30 days after the date of NOA MC 239-W, the application may not be denied on the basis of the applicant's failure to list his/her property for sale. The application is held pending the County review decision. If the requirement to list the property is not rescinded. The worker will deny the application 30 days after the date of the County review decision.

b) State Hearing Requested

If an applicant/key person files for a State Hearing on the issue of the requirement to list the property for sale, the property at issue is not exempted pending the hearing decision. The worker must allow the applicant/key person the required time to provide verification that the property is listed for sale. Assuming the applicant/key person does not comply, the property at issue must be evaluated as "other real property," which will usually result in an excess property situation. At that point, the application would be denied and NOA MC 239-Y sent.

2) Granted Cases

a) County Review Requested

If an LTC beneficiary requests a County review within 30 days of the date of NOA MC 239-W, the requirement to list the property for sale is suspended pending the County review decision.

b) State Hearing Requested

If an LTC beneficiary files for a State Hearing in response to NOA MC 239-W (code 960), or MC 239-Z (code 962), the supervisor must complete the County review and notification process. This includes sending an NOA, if appropriate, proposing discontinuance on the basis of excess other real property. However, if Appeals has determined that aid paid pending the hearing is required, or, at the hearing, the Administrative Law Judge orders aid pending to continue, discontinuance action may not be taken at that time.

The worker should contact the Appeals Representative for clarification of aid paid pending status before taking any related discontinuance action as a result of the completion of the County review and notification period.

9. FORMS AND NOTICES

A. Forms

1) Property Lien Referral - Form DHS 7014

This form is completed by the worker and sent to the Recovery Branch immediately upon receipt of the required information and verifications. Detailed completion instructions are provided in Appendix 9-4-A2.

2) Change of Status - Liens - Form DHS 7013

This form is completed by the worker and sent to the Recovery Branch any time there is a change to any of the information reported on form DHS 7014, when the

beneficiary requests a State Hearing, and when a hearing decision is received. A copy of each DHS 7013 sent must be filed in the case under the property tab.

3) Principal Residence Questionnaire (Form 14-15 DSS)

SDHS developed this questionnaire for use in evaluating and documenting the exempt status of an applicant/beneficiary's former home.

a) Required Completion

Completion of the form is required at intake when the applicant owns property formerly used as a home. The worker must allow 20 days for return of the form. If the form is not returned, the worker must attempt to contact the beneficiary or key person to determine the reason for the delay. If a valid reason is provided, the worker must advise the beneficiary/key person of the extended due date of 10 days. If the applicant/beneficiary still has not returned form 14-15 DSS, a new evaluation of the reason is required.

If the form 14-15 DSS is not returned and good cause is not established, the case must be denied/discontinued for failure to provide information.

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Good cause includes, but is not limited to:

Physical or mental illness or incapacity of the beneficiary and the authorized representative which prevents the completion or return of the form.

b) Optional Use

Workers are encouraged to request completion of form 14-15 DSS whenever a beneficiary's living arrangements change, or a change occurs which may affect the exempt status of the property. Form 14-15 DSS is not mandatory in these situations.

If the form is not used, the worker must document the exempt/non-exempt status of the home property on form MC 176P.

B. Notices

Specific notices of action must be used for certain property situations. The content of these notices may not be altered.

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Copies of these NOA's are included as appendices. SDHS has assigned specific form numbers to the notices. For continued reference, the State-assigned form number will be shown in the lower left corner of the NOA's, and included as part of the description of the automated NOA.

1) List For Sale - Person in LTC
(MC 239-W, NOA Code 960)

This NOA must be sent to applicants or beneficiaries who reside in an LTC facility (SNF, ICF or acute care hospital) whose former home may be exempt only if it is listed for sale in accordance with 4.B.4) above.

The worker must TIC for 30 days to check for receipt of the required verifications that the property has been listed for sale.

2) List For Sale - Persons Not in LTC
(MC 239-X, NOA Code 961)

This NOA must be sent to applicants or beneficiaries who do not reside in an LTC facility but are required to list their property for sale in accordance with item 4.B.4) above.

3) Result of County Review
(MC 239-Z, NOA Code 962)

This NOA must be used to notify applicants/beneficiaries of the results of the County Review.

If the review decision is that the list for sale requirements were correct, the worker must enter a date 30 days after the date of the notice in the spaces for that purpose.

PROPERTY LIEN REFERRAL**COUNTY USE ONLY**

1. Name of county

2. Name of beneficiary

3. a. Name of institution/facility

b. Current address (number, street)

City

State

ZIP code

4. Responsible party if other than beneficiary

Telephone number
()

Address (number, street)

City

State

ZIP code

5. Medi-Cal identification number (14 digits)

6. Social Security number

7. Medicare number, if applicable

8. Property address (number, street)

City

County

State

ZIP code

9. Other legal owner(s)

10. Fair market value—attach appraisal

11. County Assessor's parcel number. Attach a copy of deed.

12. Date Notice of Action sent

13. Eligibility Worker's name

Telephone number
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14. Eligibility Supervisor's signature

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STATE USE ONLY

15. Recovery Branch Signature

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16. All documents completed and lien filed? ☐ Yes ☐ No

17. The following information is missing?

☐ Name of beneficiary☐ Medi-Cal identification number☐ Property address☐ Copy of deed☐ Current address☐ Appraised amount (if not on appraisal)☐ Copy of appraisal

18. Recovery Branch contact

Telephone number
()

Mail to: Department of Health Services
 Recovery Branch - MS 4720
 P.O. Box 997425
 Sacramento, CA 95899-7425
 Telephone number (916) 650-0490

INSTRUCTIONS
Property Lien Referral
Form DHS 7014

- A. For each beneficiary owning real property that may be liened in accordance with Section 50428, the county shall complete the *Property Lien Referral* and forward it to the Department of Health Services' Recovery Branch within 30 days of the date the List Property For Sale — Persons in LTC (MC 239 W) notice is sent to the applicant/beneficiary.
- B. The following describes the information which is to be provided on the *Property Lien Referral*. Items 1 through 13 must be completed by the eligibility worker. Items 15 through 18 are for DHS's use only.

COUNTY USE ONLY

1. Name of the county. This must be county of responsibility regardless of where the property is located.
2. Name of the beneficiary. This must be the name that appears on the SAWS 1. If the beneficiary's name is different on the deed to the property, indicate with "AKA."
3. a. Name of Institution or facility.
b. Current address of beneficiary.
4. Responsible party, if other than the beneficiary. Include his/her name, address, and telephone number.
5. Medi-Cal identification (ID) number. This must be the current entire case number. If any changes are made to this number, it must be reported to the Recovery Branch using the *Change of Status — Liens* form (DHS 7013). The new number should be noted in the information/change section.
6. Social Security number. This must be verified in accordance with Section 50160. If any changes are made to this number, it must be reported to the Recovery Branch using the *Change of Status — Liens* form (DHS 7013). The new number should be noted in the information/change section.
7. Medicare number or other health insurance information.
8. Property address. Included in this section would be the county and the state, if other than California, where the property is located. If the property is in California, only the county is necessary. If the location is outside the State, both the county and state are required.
9. Other legal owner(s). Identify individual(s) sharing title with the beneficiary.
10. Fair market value (FMV). The real estate agency listing contract with the FMV appraisal shown must be attached to the *Property Lien Referral*. The appraisal requirements specified in Section 50425 must be followed.
11. Enter the county assessor's parcel number from a tax statement, deed, etc. Furnish a copy of the deed.
12. The date the Notice of Action — List Property for Sale (MC 239 W) was sent. A lien will be recorded by the Recovery Branch upon receipt of the *Property Lien Referral*.
13. Enter the eligibility worker's name and telephone number in case additional information is needed.
14. Enter the eligibility supervisor's signature, showing that the form is complete and contains accurate information.

STATE USE ONLY

- 15-16. The form will be signed by the Recovery Branch and a copy mailed to the county within ten days of receipt, showing that the form was complete and all documents were received.
17. If information is missing that would prevent the State from filing a lien, the Recovery Branch will indicate by checking the appropriate box and returning the form and all attached documents to the county.
18. Contact the Recovery Branch, (916) 650-0490, if there are any questions regarding this form.

APPENDIX 9-4-B1

State of California—Health and Welfare Agency

Department of Health Services

CHANGE OF STATUS—LIENS

Name of beneficiary	Medi-Cal Identification Number -- - - - -	Social Security Number	
<input type="checkbox"/> Discharged from long-term care and returned home on _____ <input type="checkbox"/> Requested a county level review on _____ <input type="checkbox"/> Requested a state hearing/rehearing on _____ <input type="checkbox"/> County level review decision issued on _____ <input type="checkbox"/> State hearing/rehearing decision issued on _____			
Lien may be recorded <input type="checkbox"/> Yes <input type="checkbox"/> No			
Beneficiary's address (number, street)	City	State	ZIP code
<input type="checkbox"/> Other information/changes: _____ _____ _____			
Eligibility Worker signature	Eligibility Worker number	Telephone number ()	Date

Mail to: Department of Health Services
 Recovery Branch – MS 4720
 P.O. Box 997425
 Sacramento, CA 95899-7425
 Telephone number (916) 650-0490

DHS 7013 (9/97)

APPENDIX 9-4-B2

INSTRUCTIONS FOR DHS 7013
CHANGE OF STATUS—LIENS

The form is completed in duplicate; the original sent to DHS Recovery, the copy retained in the case record.

1. Enter beneficiary's full name, Medi-Cal ID number, and Social Security number.
2. Check box and enter requested information.
3. Eligibility Worker signs and dates form.

DHS 7013 (9/97)

PRINCIPAL RESIDENCE QUESTIONNAIRE

County of San Diego
Department of Social Services

Principal Residence
Questionnaire

Case Name: _____

Case Number: _____

ET: _____

Changes in state law in 1983 (Chapter 1041, Statutes of 1983) require that we re-evaluate any property you own and use or formerly used as your home (principal residence). In order to correctly evaluate your property, please answer the following questions and return this form by _____.

(NOTE: If you are completing this form for someone else, the "I/We" as used in these questions refers to the person for whom Medi-Cal is being requested or received.)

1. Do you own the property on which you now live? _____
2. Do you own the property on which you once lived but do not live on now? _____
If yes, where is that property located (address)? _____

If yes, do you intend to return to that property to live in the future? _____
(If this intent changes, you must notify the county within 10 days.)

If you do not intend to return to that property, does anyone live there now? _____
If so, who? (Name) _____ (relation to you)

How long have they lived there? _____

3. Is this property currently listed for sale? _____.

Completed by: _____ Date: _____

Relation to Applicant/Beneficiary: _____ Phone : _____

9-4-D
NOA 239-W - CODE 960

State of California – Health and Welfare Agency

Department of Health Services
Medi-Cal Program

MEDI-CAL NOTICE OF ACTION

CASE NAME: _____

LIST PROPERTY FOR SALE
PERSONS IN LONG-TERM CARE

CASE NUMBER: _____

DISTRICT: _____

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Information indicates that you own a home (principal residence). Since you currently reside in either a skilled nursing facility, intermediate care facility, or an acute care hospital and you do not intend to return to your home, changes in state law may affect your eligibility for Medi-Cal.

For your Medi-Cal eligibility to be established or to continue, your property must be listed for sale with a licensed real estate broker, and it must be priced at its fair market value. Evidence that the property is listed with a licensed real estate broker at its appraised fair market value and a copy of the deed must be provided to your eligibility worker within 30 days of the date of this notice. If you list this property for sale and your Medi-Cal eligibility is established or continues, a lien will be recorded against your property to cover the cost of medical care that you received under the Medi-Cal Program. Your ownership of the property is not lost or transferred when the lien is recorded.

If and when your property is sold, the amount of the lien (which is based on your medical costs) will be recovered from the proceeds of the sale and returned to the State of California. If, prior to the sale of your property, you are discharged from the nursing facility and resume use of your property as your principal residence, this lien will be dissolved.

You have a right to request county review of the above requirements by submitting additional written information on this matter to the county within 30 days of the date of this notice. Such action on your part will constitute a request for a review of your case by the county. You will not be required to take any action to list your home for sale and no lien will be recorded while such a review is in progress. Information on how to proceed with the county review may be obtained from your eligibility worker.

While the county review and/or the state hearing results are pending, the court order in *Bagley v. Rank* prohibits you from transferring or selling this property without jeopardizing your eligibility for Medi-Cal benefits, except:

1. Upon your death, property you hold in joint tenancy may be transferred to the surviving joint tenant;
2. If you are ordered to do so by a court.

This office will notify you whether the additional information you submit justifies withdrawing the requirement that you list your property for sale. If the requirement is not withdrawn, you may appeal the county review determination at your local county welfare department. Failure to either request county review and/or state hearing or failure to provide evidence that you have listed your property for sale within 30 days from the date of this notice may result in denial or termination of your Medi-Cal benefits.

Your right to a state hearing on this matter is explained on the reverse side of this notice. At this hearing you may introduce facts concerning exemptions that apply to you.

For further information, please contact your eligibility worker.

The regulations that require this action are Title 22, California Administrative Code, Sections 50425 and 50428.

Eligibility Worker

Phone Number

Date

NOTE: IF THE ABOVE-NAMED MEDI-CAL BENEFICIARY IS UNABLE TO ACT ON HIS/HER OWN BEHALF, EITHER A FAMILY MEMBER, A CONSERVATOR, OR AN AUTHORIZED REPRESENTATIVE MUST CONTACT THE ELIGIBILITY WORKER IMMEDIATELY FOR FURTHER DETAILS ON HOW TO PROCEED.

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

MC 239 W (3/86)

NOA 239-X - CODE 961

State of California – Health and Welfare Agency
Medi-Cal Program

Department of Health Services

MEDI-CAL NOTICE OF ACTION

LIST PROPERTY FOR SALE

PERSONS NOT IN LONG-TERM CARE

CASE NAME: _____

CASE NUMBER: _____

DISTRICT: _____

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Information indicates that you own a home (principal residence). Since you currently do not reside in the principal residence and you do not intend to return to that residence, changes in state law may affect your eligibility for Medi-Cal.

For your Medi-Cal to be established or to continue, your property must be listed for sale with a licensed real estate broker, and it must be priced at its fair market value. Evidence that the property is listed with a licensed real estate broker at its appraised fair market value and a copy of the deed must be provided to your eligibility worker within 30 days of the date of this notice.

Your right to a state hearing on this matter is explained on the reverse side of this notice. At this hearing you may introduce facts concerning exemptions that may apply to you.

For further information, please contact your eligibility worker.

The regulations that require this action are Title 22, California Administrative Code, Sections 50425 and 50428.

Eligibility Worker

Phone Number

Date

NOTE: IF THE ABOVE-NAMED MEDI-CAL BENEFICIARY IS UNABLE TO ACT ON HIS/HER OWN BEHALF, EITHER A FAMILY MEMBER, A CONSERVATOR, OR AN AUTHORIZED REPRESENTATIVE MUST CONTACT THE ELIGIBILITY WORKER IMMEDIATELY FOR FURTHER DETAILS ON HOW TO PROCEED.

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

9-4-F
NOA 239-Z - CODE 962

MEDI-CAL NOTICE OF ACTION
RESULT OF COUNTY REVIEW

CASE NAME: _____
CASE NUMBER: _____
DISTRICT: _____

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Dear _____:

Our notice to you dated _____ required that you list your former principal residence for sale and that a lien be recorded against the property in order for you to remain eligible for Medi-Cal. (MC 239 W).

WE HAVE RE-EXAMINED THAT FINDING AT YOUR REQUEST. BASED ON INFORMATION AVAILABLE TO US, WE HAVE DETERMINED THAT:

1. ☐ The requirement that you list your former principal residence for sale was incorrect. The notice requiring listing for sale is rescinded.
2. ☐ The requirement that you list your former principal residence for sale to remain eligible was correct. You must comply with the requirements of the notice on or before _____.

If you are dissatisfied with this action, you may request a state hearing. Your rights are explained on the reverse side of this notice.

3. ☐ _____

WHILE THE COUNTY REVIEW AND/OR THE STATE HEARING RESULTS ARE PENDING, THE COURT ORDER IN BAGLEY v. RANK PROHIBITS YOU FROM TRANSFERRING OR SELLING THIS PROPERTY WITHOUT JEOPARDIZING YOUR ELIGIBILITY FOR MEDI-CAL BENEFITS, EXCEPT:

1. UPON YOUR DEATH, PROPERTY YOU HOLD IN JOINT TENANCY MAY BE TRANSFERRED TO THE SURVIVING JOINT TENANT:
2. IF YOU ARE ORDERED TO DO SO BY A COURT.

(Eligibility Worker) (Phone Number) (Date)

PLEASE READ THE REVERSE SIDE OF THIS NOTICE
MC 239 Z (5/86)

PRINCIPAL RESIDENCE DESK AID

PRINCIPAL RESIDENCE (PR)

Determination of Status and Lien Procedures

Precondition: The applicant/beneficiary has an ownership interest in a principal residence. A principal residence is real or personal property currently or previously used as a home. The principal residence is/was one of the following:

1. Personal property (mobile home, trailer, boat, etc.); or
2. Single family dwelling; or
3. Single family dwelling with other property adjoining, with or without other buildings; or
4. Portions of a multiple unit dwelling; or
5. Portions of a multiple unit dwelling with other property adjoining, with or without other buildings.

A/B-Applicant/Beneficiary
PR- Principal Residence

FMV-Fair Market Value
NMV-Net Market Value

CONDITION	ACTION
1. A/B lives on the property.	Entire property exempt from consideration.
2. A/B in/enters long-term care or A/B absent from PR for any other reason, and one or more of the following continue to reside in PR:	List and lien requirements do not apply.
a. Spouse.	
b. Child under 21.	
c. Dependent relative.	
d. Sister, brother, or adult child in PR and has continuously lived in PR for one year prior to date A/B entered LTC.	
e. Family of the A/B lives in PR and are in the same MFBU or their income is used in determining A/B's eligibility.	
3. A/B in/enters LTC and intends to return to the PR in the future.	Entire property exempt from consideration if A/B provides written declaration of intent to return.
4. A/B absent from PR for any reason and intends to return to PR (vacation, board and care, staying with relatives).	Entire property exempt from consideration if A/B provides written declaration of intent to return.

PRINCIPAL RESIDENCE DESK AID

CONDITION	ACTION
5. A/B absent from PR for any reason/length of time, A/B does not intend to return to PR and PR cannot be sold due to legal obstacles.	Entire property exempt from consideration if A/B provides evidence of attempt to overcome obstacles, such as statements from other owners of refusal to list.
6. A/B absent from PR for any reason/length of time, A/B does not intend to return to PR, none of the conditions in 1-5, above, apply; and PR cannot be readily converted to cash.	<p>Entire property exempt from consideration if the A/B:</p> <ul style="list-style-type: none"> a. Lists for sale with a licensed broker for fair market value established by a qualified real estate appraiser; and b. Provides documentation that good faith effort is being made to sell the property; and c. Accepts final offer at FMV; and d. Reports all offers to the eligibility worker. If real property of institutionalized individual, eligibility worker must send MC 7014 to Recovery; MC 239 to A/B.